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[From the New York "*Iron Age*."] ]

THE  
COST OF IRON & THE PRICE OF LABOR.

THIRD EDITION—Revised and Enlarged.

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*Printed for the Eastern Iron Masters' Association.*

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We publish below a very interesting letter, and valuable statistics, from Mr. WM. E. S. BAKER, of Philadelphia, Secretary and Treasurer of the Eastern Iron Masters' Association, and Secretary of the Duncannon Iron Co., upon the present condition of the pig and bar iron production, and the prices of labor, co-operation, &c.

PHILADELPHIA, June 19, 1871.

*Editor "Iron Age," New York*—DEAR SIR:—Covered herein, please find tables of the cost of ore, coal, limestone and labor to the ton of pig iron, together with that of all contingencies, showing the total cost of pig iron at the furnace bank from 1850 to 1871, inclusive, and also the details of the cost of bar iron at the mill for the same period. These figures speak for themselves, and are perfectly reliable. The facilities for compiling them show what advantages are likely to ensue from frequent meetings of our new Iron Masters' Association, by spreading before its members useful information concerning the iron business. In the accompanying statistics the items of pig iron cost are averaged from a group of furnaces in Central Pennsylvania, close to coal and

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ore. The merchant bar iron cost is the average of mills in the Schuylkill region, not far from pig iron, but more distant from soft coal. The average for both pig and merchant bar iron is *below the average cost for the whole State of Pennsylvania*, and in neither case is there any charge included for interest on Capital Stock. A ton of raw materials, ore, coal or limestone, will cost *in the ground*, but a trifle more *to-day* than it did twenty-five years ago, while the total cost of pig iron has more than doubled in that period, *showing that nearly the whole of the increased cost is for labor*—labor in mining, in transportation, and in working the materials into the saleable product. So that while in Pennsylvania, pig iron is costing about \$29.00 a ton, in Great Britain *the cost is less than half of that*, and even then yields a profit to the manufacturer. The reason of this is, because of the difference in the cost of labor. And but a small part of this difference can be accounted for by the increased cost of living, arising from taxation or a depreciated currency. Hence a question here arises of vital importance to every manufacturer and workman in the United States, viz.: *Is it possible for two countries so intimately related in business as are Great Britain and the United States, to continue for a long period to produce the same article at so great a difference in cost?* We think not, and believe that there must and will be an approximation of cost in the two countries, either by a reduction in wages paid American skilled labor, or an advance in foreign labor, *unless home labor shall have increased protection from the Government*. An advance in labor abroad will be but to lessen the profits of the wealthy iron masters. To reduce labor in this country, where it is conceded that the iron manufacturers are making little or no profit, will be to decrease the comforts and privileges of the workmen. The alternative will be for home capital to abandon the iron manufacture for some more stable and profitable branch of industry, to the depreciation, if not ruin of the agricultural and other surrounding interests depending upon iron. Twenty-five years ago our cost price was about what the English cost is to-day. But the physical, moral, social and mental condition of the American workman has much improved since then. He is a free citizen of a great Republic, with duties and responsibilities unknown abroad. His wants have multiplied, and his increased pay has enabled him hitherto comfortably to meet all demands. Our sympathies are with him, and we desire



him to receive his full share of the advantages of the business, but it can hardly be contradicted that his present prosperity is *at the expense of capital*, the manufactured article having declined in price much more in proportion than the price of skilled labor.

The contrast between the condition of our mechanics and workmen twenty-five years ago, and at the present day will show so marked an improvement as greatly to encourage the friends of progress. Then, the workingman lived in a one-storied shanty; to-day, the Building Association gives the temperate, steady man, at small cost, a comfortable and convenient home. His dress was of the coarsest material, and his food limited to the plainest dishes; but liberal wages enable him to clothe his family respectably, and to supply his table not only with necessities, but luxuries. His mind was contracted, and he was very ignorant; but free schools have educated him, and made some of his children professors of learning, while others occupy the most honorable positions in the land. He could seldom read, much less afford to buy a daily newspaper; to-day, his own sons edit and publish those papers, spreading before him the world's record of the past day before his work begins. He had neither surplus means nor suitable clothing with which to travel; now he can afford to take his seat in the rail car, the peer of the greatest. A few months' sickness or lack of employment reduced him to beggary; in this age, his saving fund deposit, or lodge, relieves him; while a physician of his own selection attends his family, and he is surrounded with comforts, privileges and blessings unknown to his father. His moral nature, also, has undergone remarkable improvement. The Sunday-school has elevated him, given him clearer ideas of responsibility, opened new fields of thought, and taught him to abandon many vices and to cultivate the nobler faculties of the soul. Where once was the card-table and the brewing-tub, can now be found the melodeon and the sewing machine. Temperance, debating and charitable societies, literature, art, music and a free press have all helped in his promotion, and his means enabled him in a manly, independent way, to participate in and enjoy his improved condition. His son to-day is generally well educated, sometimes a classical scholar—his daughter is often a young lady of growing taste and refinement. Tens of thousands of American *workmen* have advanced themselves to the position of *capitalists*, as all in this country have a

chance to do, and *energy, sobriety and integrity* will promote others. In my judgment, however, I fear that "Labor Unions" are great obstacles to his advancement, because the unskilful and unsteady man is made by the Unions fully equal to the best man in the mills—with the same wages and privileges. The only true bond of "Union" that will be a mutual benefit to capital and labor, is the brotherhood of man, founded upon the broad principles of Christian charity and justice. "All things whatsoever ye would that men should do to you, do ye even so to them."

I sincerely wish that our American workmen, mechanics and miners would appreciate their advantages, and co-operate with their employers for the benefit of both; but they appear not always to understand the true relation that should exist between capital and labor, and in many ways they seem to be undermining the very system which enabled them to rise, and that too with natural resources in the United States sufficient to supply the world with iron and steel of a superior quality. The American capitalist invariably rejoices in the prosperity of American labor, and to insure it contributes millions of dollars yearly. Not only are American iron works, workshops and dwellings the best adapted in the world to their purposes, but our capitalists have built free Libraries, Institutes, Hospitals, Colleges and Churches in every State, spending their money for the benefit of others, with a freedom unknown in other countries. Our own Peabody provided for the London poor; while Girard, Vassar, Cooper, Cornell, Stewart, Pardee, Packer, Crozer, Askin, and a host of others, have made princely donations to these institutions; and the sons of our industrious workmen can be found in every college, obtaining gratuitously the priceless boon of a good education.

Now, for a moment, look at the present condition of the same branch of labor abroad. In France, men, women and children work in the mines and mills, half fed, and poorly clothed, without culture, domestic happiness, social enjoyment or sufficient pay—the wages of all being required to enable them to live. The French workman is little more than a slave, bound for life to one mill, unable to emigrate, and powerless to improve his social condition. In Belgium nearly the same state of affairs exist, although efforts are making to educate the children, but they have the poorest and cheapest living that will maintain



life, and hence these two countries can produce iron cheaper than any other nation. In Great Britain, under the pressure of Christian efforts to improve the workmen, labor is better paid to-day than ever before, but British capitalists are struggling to retain control of the iron markets of the world, and to crush all foreign competition; and they are partially succeeding in both, but only by exporting iron of the worst quality and cheapest cost, and *by grinding the price of labor down to the lowest possible living point*. Women are found in the mills, doing men's work, at 30 cents a day, while men labor for 65 cents or less and even little children toil for a few pennies, to help keep the family above the swelling ranks of pauperism. No wonder that the British workman is desponding and hopeless. He knows that he has no chance in the race of life, and we can but refer to his straw-roofed hovel, his black bread and meagre fare, the habitual drunkenness of himself and often of his family; his ragged, uneducated and vicious children, his ignorance and gross superstition, his abject poverty and dependence, his deeply seated vices and often his fearful crimes! This is a dark picture, and God forbid that American workmen, by low wages and unsteady employment, should ever be so reduced. And yet *we can not be blind to the fact that the whole tendency of things to-day is towards a reduction in the price of labor*. It is evident, therefore, that home products can not compete with the products of foreign labor, while home labor receives twice the pay for the same work.

I claim that every man is entitled to education, domestic comfort, freedom of person and liberty of conscience—and he has a right to sufficient wages to secure and maintain himself and family in these privileges of a freeman; and whoever denies these to a man of industry and integrity violates the plainest laws of humanity and of God.

It is possible to effect some reduction in the cost of American iron, independent of the prices for labor, and every thoughtful man should remember that forced stoppages of a mill by strikes, not only increase the cost of iron, but tend to destroy the business of the mill; and if the fear of such stoppages compel the owners to keep on hand heavy piles of finished goods, the cost is further increased by loss of interest; and further, there might be less waste of materials, and more care of the tools and expensive machinery, and we would like to see a careful training of apprentices from the workman's family, and every means

should be used to improve the quality of the iron. In Great Britain efforts are making to withdraw the women and children from the mills, and to improve the condition of the workman; and that will certainly advance the cost abroad, and help us somewhat; but to perpetuate the present privileges of our workmen, which have been secured by *liberal wages*, every man should feel that *he has a part to do*—and at once change his course towards his employer, cultivate a friendly regard for him, and *save him a dollar wherever possible*.

When the chance offers, I would advise every workman to buy a few shares in the Capital Stock of the company for which he works, so that, by a joint ownership, capital and labor may work together in harmony and peace for the benefit of both, and thus reduce the cost of iron down nearer to the price of the imported article. This sort of "Co-operation" would be of great advantage to all interested, and as our special laws provide no suitable plan for a union of capital and labor, it would produce the happiest results, if the workmen in any mill, together with the surrounding artizans, farmers, &c., would buy upon long credits, payable by instalments, say *one-fifth* of the capital stock of the company, with *one-fifth* representation in the Board of Directors, and *one-fifth* interest in all profits. A mill economically managed in this way, with every man in the neighborhood personally interested in its success, (so as the sooner to pay the debt due on his stock, and get full possession of the certificates)—owning its own store, dwelling houses and coal yard, and practically getting rent and all supplies at cost, *would be one of the most prosperous mills in the country, defying competition from all quarters*.

The recent reduction of \$2 per ton on the duty upon pig iron has done much to demoralize the iron business. Just about enough iron has been sent here at the *reduced duty* to break down our market. Nearly the whole \$2 a ton has been added to the profits of the aristocratic manufacturers of the old country. Now, with a prospective decline of gold to par, and a threatened further reduction of the tariff, with outrageous evasions and violations of existing laws in our custom houses, constant fluctuations in all values whenever it suits the purposes of the gold gamblers, and the arrival almost daily upon our shores of cargoes of inferior foreign iron, it is not difficult to understand why the cry comes from every quarter of *dull trade* and *unprofitable busi-*

ness. Some of us can remember the dark days of 1841 preceding the increased tariff on iron, when, to serve workmen from actual *suffering*, the iron masters of Pennsylvania printed and circulated due bills, redeemable months afterward, in amounts of 10 cents and upward. *Free trade did it then, and free trade will do it again, carrying in its wake devastation and ruin to all branches of home industry.* We can find a remedy for all this *in an increased duty upon iron and all other products of foreign labor which compete directly with the products of American labor.* And just here we can remind our lawmakers that the British manufacturers, with all their free trade theories, are at present struggling to obtain “protection” *against the cheaper products of Belgian labor.* We claim the same “protection” *against the products of the pauper labor of Britain.* What protection we now have did not prevent the importation of 40 per cent. of all the iron consumed in the United States in 1870! while some of our American mills were *permanently stopped*, and others remained idle part of the year, from inability to compete with inferior foreign iron. A continuance of the present state of affairs will soon prove the correctness of these views, and, I fear, produce in this country what is to be greatly dreaded, the prostration, and perhaps degradation of American labor.

Very respectfully, &c.,

WM. E. S. BAKER,  
122 Race Street, Philadelphia.

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COMPARATIVE PRICES OF LABOR—1871.

	<i>English.</i>	<i>American.</i>
Pudlers, per ton.....	\$2.05	\$4.00
“     Helpers, per ton.....	78	2.00
Heaters, per day.....	1.90	4.37
“     Helpers, per day.....	97	2.07
Rollers, per day.....	3.00	5.10
Day Laborers, per day.....	78	1.75
Carpenters,     “     .....	1.40	3.00
Masons,     “     .....	2.00	3.25











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